

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

IN RE:	APRIL 12, 2001)	
)	
REQUEST FOR DECERTIFICATION OF LDM)	DOCKET NO.
SYSTEMS, INC. AS AN INTRASTATE)	01-00115
INTEREXCHANGE CARRIER AND FOR ASSIGNMENT)	
OF ITS CLEC AUTHORIZATION TO RSL COM U.S.A.)	

**ORDER APPROVING CANCELLATION OF AUTHORITY
AND TRANSFER OF AUTHORITY**

This matter came before the Tennessee Regulatory Authority (the "Authority") at the regularly scheduled Authority Conference held on February 21, 2001 for consideration of the Request (the "Request") of LDM Systems, Inc. ("LDM") and RSL COM U.S.A. ("RSL USA") for approval of a cancellation of authority to provide utility services as an intrastate interexchange carrier ("IXC") and for approval of a transfer of authority to provide utility services as a competing local exchange carrier ("CLEC"). The Request is made pursuant to the provisions of Tenn. Code Ann. § 65-4-113

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Request

LDM, a New York corporation with its principal offices located in New York City, is currently authorized to provide IXC service in forty-five (45) states, including Tennessee. LDM was granted authority to provide utility services as an IXC in Tennessee by Order dated April 26, 1996 in Docket No. 96-00612. LDM is also authorized to provide telecommunications services as a CLEC in a number of states, including Tennessee. LDM was granted authority to provide utility services as a CLEC in Tennessee by Order dated May 21, 1997 in Docket No. 96-00269.

RSL USA, a Delaware corporation with principal offices located in New York City, is authorized to provide intrastate IXC services in forty-nine states, including Tennessee. RSL USA was granted authority to provide utility services as an IXC in Tennessee by Order dated January 14, 1998 in Docket No. 97-00985.

The Request states that on December 3, 1997, the shareholders of LDM and RSL USA entered into a stock purchase agreement in which RSL USA acquired one hundred percent (100%) of the issued and outstanding capital stock of LDM on a fully diluted basis from LDM's shareholders. As the Request further states, all LDM customers were notified of the transaction and were informed that RSL had become the parent company of LDM. According to the Request, LDM has operated as a wholly-owned subsidiary of RSL USA since the transaction took place. As further stated in the Request, LDM has continued to provide resold IXC services in Tennessee under its own name and pursuant to the rates, terms, and

conditions of its own tariff and operating authority. The Request also states that LDM currently has no local exchange customers in Tennessee.

The Request states that to avoid the cost, complexity, and inefficiency of operating separate corporate subsidiaries that provide similar telecommunications services, RSL USA will consolidate the majority of its telecommunications offerings into RSL USA. As part of this consolidation, the Request states, RSL USA proposes to merge the telecommunications assets of its subsidiary, LDM, into RSL USA and dissolve LDM as a separate entity. RSL USA requests that the Authority cancel LDM's authority to provide utility services as an IXC and approve a transfer to RSL USA of LDM's authority to provide utility services as a CLEC.

The Request states that the transfer of authority to provide utility services as a CLEC will be transparent to LDM's customers. The Request further states that RSL USA will begin providing services to former LDM subscribers at the same rates or better and under the same terms and conditions as they currently receive. RSL USA certifies that it continues to have the necessary technical, managerial, and financial resources to provide quality telecommunications services throughout Tennessee.

Findings

The Directors of the Authority considered this matter at the February 21, 2001 Authority Conference. Based upon careful consideration of the Request, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this Request pursuant to Tenn. Code Ann. § 65-4-113.
2. LDM Systems, Inc. has been granted authority to provide telecommunications services as an IXC in Tennessee.

3. LDM Systems, Inc. has also been granted authority to provide telecommunication services as CLEC in Tennessee.

4. RSL COM U.S.A., Inc. has been granted authority to provide telecommunication services as an IXC in Tennessee.

5. Ownership of the issued and outstanding stock of LDM has been transferred to RSL USA, resulting in a transfer of the authority granted LDM to provide utility services as a CLEC in Tennessee.

6. LDM will cease providing utility services as an IXC in Tennessee, and the authority granted LDM to provide such services will be cancelled.

7. Approval of the transfer of authority to provide utility services as a CLEC from LDM to RSL USA is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113.

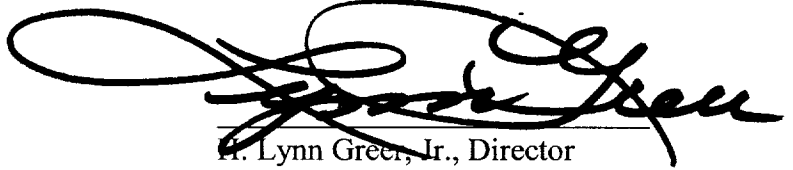
IT IS THEREFORE ORDERED THAT:

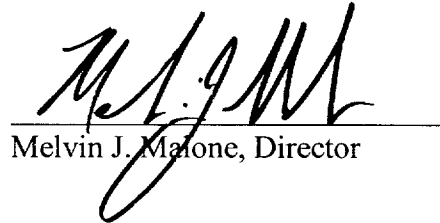
1. The Request of LDM Systems, Inc. and RSL COM U.S.A. for approval of the cancellation of authority to provide utility services as an intrastate interexchange carrier and transfer of authority to provide utility services as a competing local exchange carrier described herein is approved; and

2. Any party aggrieved by the Authority's decision in this matter may file a

Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary